find out the exact amount which would go into investments. But I must say, it is a very good crude oil doscivered in the Barmer district. This will be beneficial to Rajasthan and a whosoever getting that crude oil.

प्रो॰ राम देव भंडारी: माननीय सभापति जी, मैं मंत्री जी से जानना चाहता हूं कि बिहार में तेल की खोज करने की दिशा में क्या इस प्रकार का कोई सर्वेक्षण हुआ है? अगर हुआ है तो उसका क्या परिणाम निकला है? महोदय, कोसी और गंगा बड़ी-बड़ी नदियां हैं। क्या इनके बेसिनों में तेल की खोज करने की सरकार की कोई मंशा है, अगर है तो इस सम्बन्ध में सरकार को क्या कहना है?

श्री राम नाईक: सभापति जी, वैसे यह सवाल मुख्य प्रश्न से संबंधित नहीं है। लेकिन मैं मोटे तौर पर यह कह सकता हूं कि बिहार में तेल मिलने की ज्यादा संभावना नहीं है। मैं एक्ज़ैक्ट डिटेल्स निकालकर माननीय सदस्य को भिजवा दूंगा।

प्रो॰ राम देव भंडारी: तेल की खोज की गई है या नहीं की गई ...(**व्यवधान**)...

श्री राम नाईक: वही तो मैं कह रहा हूं कि मैं ओवरऑल पोजीशन ही बता सकता हूं।

Low foreign investment by US

*107. SHRI P. PRABHAKAR REDDY:†
SHRIMATI SHABANA AZMI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the US Business Houses are reluctant to invest in India;

(b) if so, the details thereof and the reaosns therefor;

(c) the steps proposed to be taken in this regard; and

(d) whether Government propose to make certain changes so that US businessmen are ready to invest in India?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (d) A statement is placed on the Table of the House.

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†The question was actually asked on the floor of the House by Shri P. Prabhakar Reddy.

Statement

(a) No, Sir.

(b) Does not arise.

(c) and (d) With a view to providing investor friendly policies, Foreign Direct Investment (FDI) is now encouraged in most economic activities under the automatic route. Continuous initiatives to attract inflow of FDIs are being taken by the Government. This policy structure is periodically reviewed.

SHRI P. PRABHAKAR REDDY: Sir, inspite of the Government increasing the FDI cap and bringing many sectors under the automatic entry route, there has been no appreciable increase in the flow of the FDI. Sir, China has attracted 336 billion U.S. Dollars and India has attracted only 18 billion U.S. Dollars. I would like to know from the hon. Minister the reason behind this and why we are not able to attract the Foreign Direct Investment.

SHRI JASWANT SINGH: Sir, this is, in fact, a complex question as to why in comparison to the People Republic of China we have a lower inflow of the Foreign Direct Investment.

SHRI P. PRABHAKAR REDDY: There is a huge gap between 336 billions and 18 billions.

SHRI JASWANT SINGH: I know, Sir, I do not wish to go into the factors; for example, if one were to analyse the FDI flow into the Peoples Republic of China, one would find that a very substantial porcentage of it was, in fact, the contribution by their large diasporas. There is another aspect, into which a study has been conducted, as to how the Reserve Bank is currently defining the Foreign Direct Investment into India, and the definition of the Reserve Bank about the Foreign Direct Investment in India is, in fact, not entirely in harmony with the International Monitory Fund's definition. Therefore, a Committee was appointed to go into it. Once that Committee's recommendations are fully implemented, the figures of the FDI will certainly, go up. The third major problem is the aspect of procedure. Mr. Chairman, Sir, we do have many more obstacles to investment in India than the Peoples Republic of China has. The bureaucratic obstacles in investment are possibly one of the biggest hindrances to an efficient rapid and a continuously rising investment.

SHRI P. PRABHAKAR REDDY: Sir, is it a fact that investors are not coming into India because the infrastructure is poor, our tax policy is not stable, the Government is slow on reforms, and there is no consensus among the political parties on the broad economic policies? Sir, if that is the case, instead of the Government concentrating on these issues, how, merely increasing the FDI cap and making certain entries through the automatic route, are going to help?

SHRI JASWANT SINGH: It is not a question of merely doing one single thing. Does there obtain a consensus in the political community of the country about all issues pertaining to the management of the economy? The hon. Member knows that it does not. The endeavour is to create as broad and creative a consensus as possible. Now, thereafter, on the hon. Member to suggesting that, rather than concentrating on improving the FDI methodology, we should concentrate on consensus, I have to state that, unfortunately, the Government do not have options of an 'either/or' approach. All the Governments will have to adopt a policy attaching importance to all aspects simultaneously to create as wide a consensus as possible, and also to improve the FDI regulations in this regard.

SHRI KAPIL SIBAL: After the passage of the Securitisation Bill which has now become an Act, we have been getting reports that a lot of foreign investors — because they are not confident about the stock markets — are seeking to acquire some of these companies, not becasue of the intrinsic value of the companies, but because of the real estate value. Just a couple of days ago, I read a report in a newspaper which said that the Government of India had taken a decision to allow foreign investment in real estate above one acre. I just want to know from the hon. Minister whether it is true that the Government has taken such a decision; if not, is the Government contemplating on this particular issue?

SHRI JASWANT SINGH: Sir, there are two or three aspects of this question. It will be difficult for me to reply to the hon. Member about what the Government or any organ of the Government is contemplating. Contemplation is speculation, and on the eve of the Budget it would be almost impossible for me to share my contemplation with the hon. Member. But so far as the question of taking a decision about the real

estate is concerned, I would advise the hon. Member not to be always guided by newspaper accounts that he comes across. The third aspect of his question about the post-securitisation enactment is that the Foreign Direct Investment is now being routed really with a view to acquiring those companies. At the present moment, no concern is at the stage of being auctioned off. It is a very complex procedure, which the Parliament has laid down. Secondly, the Supreme Court has put a stay on any sale, or any subsequent sale. Thirdly, the hon. Leader of the Opposition has brought to my attention, Sir, that some complaints have been received about harassment post-securitisation enactment. I am seized of those complaints. I had assured both the Houses that we would have a lenders' responsibility enactment. The RBI has already issued guidelines in that regard and I have assured the hon. Leader of the Opposition of converting the guidelines into an enactment. I do not want to rush this. I want to have the guidelines on the ground, see their effect, improve them, and then, if necessary, certainly come back to the House and have a proper lenders' responsibility enactment. But I do wish to assure the hon. Members that selling off property like this, as a route to FDI, is currently not on.

Task Force on operational parameters for corporate Governance

*108. SHRI NILOTPAL BASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Task Force was constituted by Government to evolve a set of operational parameters for ensuring good corporate governance;

(b) if so, the terms of reference of the Task Force;

(c) whether the Task Force has since submitted its report;

(d) if so, what are the salient features of the report and if the reply to part (c) above be in the negative, the reasons therefor; and

(e) the action taken by Government on the report and if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (e) A statement is placed on the Table of the House.